

191—71.11(513B) Rules related to fair marketing.

71.11(1) a. A small employer carrier or ODS shall actively market health insurance coverages including one basic and one standard health benefit plan to small employers in this state. A small employer carrier or ODS may not suspend the marketing or issuance of the basic and standard health benefit plans unless the carrier or ODS has good cause and has received the prior approval of the commissioner or director.

b. In marketing the basic and standard health benefit plans to small employers, a small employer carrier or ODS shall use at least the same sources and methods of distribution that it uses to market other health insurance coverages to small employers.

71.11(2) a. A small employer carrier or ODS, in accordance with the provisions of Iowa Code section 513B.10, shall accept every small employer that applies for health insurance coverage from the small employer carrier or ODS and shall accept every eligible individual who applies for enrollment. The offer shall be in writing and shall include at least the following information:

(1) A general description of the benefits contained in the basic and standard health benefit plans and any other health insurance coverage being offered to the small employer, and

(2) Information describing how the small employer may enroll in the plans.

The offer may be provided directly to the small employer or delivered through a producer.

b. (1) A small employer carrier or ODS shall provide a price quote to a small employer (directly or through an authorized producer) within ten working days of receiving a request for a quote and other information as necessary to provide the quote. A small employer carrier or ODS shall notify a small employer (directly or through an authorized producer) of any additional information needed by the small employer carrier or ODS to provide the quote within five working days of receiving a request for a price quote.

(2) A small employer carrier or ODS shall not apply more stringent or detailed requirements related to the application process for the basic and standard health benefit plans than applied for other health insurance coverage offered by the carrier or ODS.

c. Rescinded IAB 7/16/97, effective 7/1/97.

71.11(3) A small employer carrier or ODS shall establish and maintain a toll-free telephone service to provide information to small employers regarding the availability of health insurance coverages in this state. The service shall provide information to callers regarding application for coverage from the carrier or ODS. The information may include the names and telephone numbers of producers located in geographic proximity to the caller or such other information reasonably designed to assist the caller to locate an authorized producer or to otherwise apply for coverage.

71.11(4) The small group carrier or ODS shall not require a small employer to join or contribute to any association or group as a condition of being accepted for coverage by the small employer carrier or ODS except, if membership in an association or other group is a requirement for accepting a small employer into health insurance coverage, a small employer carrier or ODS may apply such requirement.

71.11(5) A small employer carrier or ODS may not require, as a condition to the offer or sale of health insurance coverage to a small employer, that the small employer purchase or qualify for any other insurance product or service.

71.11(6) a. Carriers offering individual and group health insurance coverages in this state shall be responsible for determining whether the plans are subject to the requirements of Iowa Code chapter 513B and this chapter. Carriers or ODSs shall elicit the following information from applicants for such plans at the time of application:

(1) Whether or not any portion of the premium will be paid by or on behalf of a small employer, either directly or through wage adjustments or other means of reimbursement; and

(2) Whether or not the prospective policyholder, certificate holder or any prospective insured individual intends to treat the health insurance coverage as part of a plan or program under Section 162 (other than Section 162(1)), Section 125 or Section 106 of the United States Internal Revenue Code.

b. If a small employer carrier or ODS fails to comply with paragraph “a,” the small employer carrier or ODS shall be deemed on notice regarding any information that could reasonably have been attained if the small employer carrier had complied with paragraph “a.”

71.11(7) a. A small employer carrier or ODS shall annually file the following information with the commissioner related to health insurance coverages issued by the small employer carrier or ODS to small employers in this state:

(1) The number of small employers that were issued health insurance coverages in the previous calendar year (separated as to newly issued plans and renewals);

(2) The number of small employers that were issued the basic health benefit plan and the standard health benefit plan in the previous calendar year (separated as to newly issued plans and renewals and as to class of business);

(3) The number of small employer health insurance coverages in force in each county (or by ZIP code) of the state as of December 31 of the previous calendar year;

(4) The number of small employer health insurance coverages that were voluntarily not renewed by small employers in the previous calendar year;

(5) The number of small employer health insurance coverages that were terminated or nonrenewed (for reasons other than nonpayment of premium) by the carrier in the previous calendar year; and

(6) The number of small employer health insurance coverages that were issued to small employers that were uninsured for at least the three months prior to issue.

b. The information described in paragraph “a” shall be filed no later than March 15 of each year.

71.11(8) A small group carrier shall not price the basic and standard benefit plans nor set the commissions in such a way to make the plans unattractive for a producer to market. A small employer carrier shall provide reasonable compensation, as provided in the plan of operation, to a producer, if any, for the sale of a basic or standard health benefit plan.

71.11(9) A small employer carrier shall establish commission payments for the sale of basic and standard health benefit plans within each class of business at no less than 75 percent of the level of commission payments assessed on other small group health products.